

**CITY COUNCIL AGENDA ITEM COVER MEMO**

**FOR AGENDA OF COUNCIL MEETING/WORK SESSION - DATE:** June 12, 2014

**ACTION REQUESTED BY:** Huntsville Utilities

**SUBJECT MATTER:** TVA Agreement

**EXACT WORDING FOR AGENDA:** Resolution authorizing the Mayor to execute an agreement with TVA for the Home Energy Survey Program to promote more energy efficient existing home designs. (Utilities: Electric)

**ORDINANCE:**

**RESOLUTION:** X

**MOTION:**

**(IF AMENDMENT, STATE TITLE AND NUMBER OF ORIGINAL):** N/A

**ITEM IS TO BE CONSIDERED FOR:**

**INTRODUCTION:**

**ACTION:** X

**DISCUSSION:**

**UNANIMOUS CONSENT REQUIRED?** No

**BRIEFLY STATE WHY THE ACTION IS REQUESTED; WHY IT IS RECOMMENDED OR NOT RECOMMENDED; WHAT COUNCIL ACTION WILL PROVIDE, ALLOW, OR ACCOMPLISH; ANY ASSOCIATED COST; BUDGETED (?); AND ANY OTHER INFORMATION THAT YOU THINK MIGHT BE HELPFUL.** Approval of this resolution will authorize the Mayor to execute an Agreement with TVA for the Home Energy Survey Program (HESP) Pilot Agreement to promote more energy efficient existing home designs, which seeks to increase the overall efficiency by installing or upgrading energy efficient measures.

**MAYOR RECOMMENDS OR CONCURS?** YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

**SIGNATURE:** Jay Stowe, President & CEO

**DATE:** May 23, 2014

**RESOLUTION NO. 14-\_\_\_\_\_**

**WHEREAS**, the City of Huntsville, Alabama (hereinafter referred to as Distributor), and Tennessee Valley Authority (hereinafter referred to as TVA), did heretofore enter into a contract dated May 26, 1980 (which contract, as amended and supplemented, is hereinafter called the Power Contract); and

**WHEREAS**, for the purpose of promoting more energy efficient existing home designs, Distributor has developed the Home Energy Survey Program (Program), which seeks to increase the overall energy efficiency of existing homes by installing or upgrading energy efficient measures; and

**WHEREAS**, there is now presented to the City Council of the City of Huntsville, Alabama, an agreement implementing the Home Energy Survey Program (HESP) Pilot Agreement, with the representation that the said agreement has been approved by the Huntsville Electric Utility Board.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that it does approve the aforesaid agreement allowing the parties to enter into the Home Energy Survey Program (HESP) Pilot Agreement, and Tommy Battle, as Mayor of the City of Huntsville, Alabama, be, and he is authorized to execute said agreement for and on behalf of the City of Huntsville, Alabama, and the Clerk-Treasurer be and he is hereby authorized to attest the same and to affix thereto the seal of the City of Huntsville, Alabama, all in as many counterparts as may be necessary.

**BE IT FURTHER RESOLVED** by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into an agreement by and between the City of Huntsville and the Tennessee Valley Authority on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Home Energy Survey Program (HESP) Pilot Agreement between City of Huntsville, Alabama, and Tennessee Valley Authority," consisting of ten (10) pages and the date of \_\_\_\_\_, 2014, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

**ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
President of the City Council of  
The City of Huntsville, Alabama

**APPROVED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor of the City of Huntsville,  
Alabama



Tennessee Valley Authority, 4960 Corporate Drive, Suite 125, Huntsville, Alabama 35805

May 9, 2014

Mr. Jay C. Stowe, P.E.  
President and Chief Executive Officer  
Huntsville Utilities  
Post Office Box 2048  
Huntsville, Alabama 35804-2048

Dear Jay:

Enclosed for your review and execution are three copies of a proposed agreement for TVA to provide for incentive reimbursement to Huntsville Utilities for Huntsville's Home Energy Survey Program Pilot.

Upon execution of the amendatory agreement by Huntsville Utilities, all three copies of the agreement should be returned to me for further handling. Upon execution by TVA, two fully executed copies of the agreement will be returned to you. Please note that the agreement will be dated by TVA upon its execution.

If you have any questions concerning this agreement, please contact me at (256) 386-2614.

Sincerely,

Kevin C. Chandler  
General Manager

Enclosures

**HOME ENERGY SURVEY PROGRAM (HESP) PILOT AGREEMENT**  
**Between**  
**CITY OF HUNTSVILLE, ALABAMA**  
**And**  
**TENNESSEE VALLEY AUTHORITY**

Date: \_\_\_\_\_

Contract No. 683643

THIS AGREEMENT, made and entered into by and between the CITY OF HUNTSVILLE, ALABAMA (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Alabama; and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

**W I T N E S S E T H:**

WHEREAS, Distributor and TVA have entered into a contract dated May 26, 1980, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, for the purpose of promoting more energy efficient existing home designs, Distributor has developed the Home Energy Survey Program (Program), which seeks to increase the overall energy efficiency of existing homes by installing or upgrading energy efficient measures; and

WHEREAS, Distributor and TVA wish to agree on the terms and conditions under which the Program will be funded and administered;

NOW, THEREFORE, for and in consideration of the premises and of the agreements set forth below, and subject to the provisions of the TVA Act, the parties agree as follows:

**SECTION 1 - DEFINITIONS**

1.1 "Billing and Payment Terms" shall mean the Billing and Payment Terms, as modified by the last sentence in subsection 4.2 below, which are attached to and made a part of this Agreement.

1.2 "Billing Data" shall mean Distributor billing data (for Program Homes and/or not-participating Existing Homes, as specified) covering a period of time specified by TVA and provided in a form that allows for Program Homes to be identified within the Billing Data. Billing Data shall be furnished in an agreed upon electronic format (e.g., data file transfer, .csv, .xlsx) which can be utilized by TVA.

1.3 "Customer" shall mean any person or entity that owns an Existing Home.

1.4 "Energy Efficient Measure" shall mean weatherization improvements to an Existing Home's thermal envelope (air sealing, insulation) and/or the installation or upgrades of energy efficient items such as, but not limited to: heat pumps and associated duct system, AC units, water heater, windows, and doors.

\_\_\_\_\_  
**Huntsville City Council President**

Date: \_\_\_\_\_

1.5 "Existing Home" shall mean a single self-contained housekeeping unit comprised of one or more rooms providing complete independent facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation that has received electric service from Distributor for twelve (12) months or longer. Each housekeeping unit must have (1) a dedicated water heating system (2) a thermostat or thermostats that control a dedicated unitary heating system (3) a full kitchen with range, oven, and refrigerator (4) a minimum conditioned living floor area of 500 square feet, and (5) for rental units, a minimum one month term of tenant occupancy. Existing Homes shall not include Manufactured Homes.

1.6 "Fiscal Year" shall mean a TVA fiscal year, which is October 1 through September 30.

1.7 "Incentive Payments" shall mean incentive payments made by TVA to Distributor under this Program.

1.8 "Manufactured Home" shall mean residential living units, including ENERGY STAR rated units, which have been manufactured to the minimum Federal Manufactured Home Construction and Safety Standards of the Department of Housing and Urban Development (HUD) and three-dimensional modular homes with a plant-installed duct system.

1.9 "Measure Records" shall mean, at minimum:

- General Program Home characteristics such as square footage, heating system fuel and type, cooling system type, water heating fuel type, housing type (attached/detached), number of stories, year of construction, etc.
- Description of Program Home pre and post retrofit condition, including but not limited to, the following:
  - Energy Efficient Measure installation and, if inspected by Distributor, inspection dates,
  - Pre and post equipment efficiencies, SEER, EER, COP, HSPF etc. (if available),
  - Equipment capacities, equipment serial numbers for heat pumps and AC units
  - Pre and post R-values, U-values, square footage of installed shell measures, e.g. windows, doors and insulation measures (if available), and
  - Pre and post CFM 50 leakage data (if available) or number of penetrations sealed, number of windows and doors weather stripped, lineal feet of caulking installed, total leakage area sealed, etc.
- Energy Efficient Measure equipment and labor invoices.

1.10 "Program Home" shall mean any Existing Home where Distributor has implemented, under this Program, at least one new Energy Efficient Measure that is not tied to a previous TVA incentive or market value payment through any other *energy right*® Program.

1.11 "Program Home Records" shall mean, at minimum:

- Detailed legal mailing address including apartment number if appropriate – all descriptors required to definitively locate each participant. Data cannot contain a mix of mailing addresses and lot numbers and/or tax assessor IDs.
- The detailed physical address should be in a standard and repeatable format such as:
  1. Street Number,

2. Street Name, including descriptors (road, street, boulevard, court, etc.) that should be presented consistently (either spelled completely or abbreviated in the same way) for each data transfer, and
  3. Building number, apartment number, or unit number (if necessary).
- A unique identifier (such as an account number or other alphanumerical identifier) that directly links to an Existing Home's Billing Data for the purpose of accurately matching records for billing analysis.
  - Identification of the Program Home's participation in any other incentivized program as discussed in section 1.10 to determine potential program overlap and/or double counting of efficiency impacts.

1.12 "QA Inspection" shall mean TVA's periodic review, inspection, and verification of Program Home Records and Measure Records to ensure the Program is being implemented in accordance with the terms and conditions of this Agreement.

## **SECTION 2 - AUTHORIZED REPRESENTATIVES**

The authorized representatives for Program implementation are:

Distributor: Mr. Jay C. Stowe, P. E.  
 President and CEO  
 Huntsville Utilities  
 Post Office Box 2048  
 Huntsville, Alabama 35804-2048  
 Telephone: 256-535-1264  
 Email: jay.stowe@hsvutil.org

TVA: Mr. Scott Harrell  
 Program Manager  
 TVA EnergyRight Solutions  
 26 Century Boulevard; OCP-7A  
 Nashville, Tennessee 37214  
 Telephone: 615-232-6117  
 Email: sharrell@tva.gov

TVA may designate third-party agents and contractors to implement any portion of this agreement. Distributor shall cooperate with any such designated agent or contractor.

## **SECTION 3 - TERM AND TERMINATION**

This Agreement shall become effective on the date first above written and shall continue in effect until September 30, 2018; provided, however, TVA may terminate this Agreement upon at least 30 days' written notice to Distributor. Upon the effective date of any such notice to terminate, TVA shall no longer accept invoices for Incentive Payments.

## **SECTION 4 - INCENTIVES**

4.1 Incentive Amount. Each Program Home shall qualify Distributor for a one-time Incentive Payment provided (a) all the terms and conditions of this Agreement have been satisfied and (b) applicable funding limits have not been reached. The

current Incentive Payment for each Program Home is \$475. However, TVA may update or change this Incentive Payment amount, no more than once annually, upon at least 30 days' notice to Distributor. Such updates or changes may include, but are not limited to, changes to incentive amounts, incentive basis, incentive methodologies, and limitations to specific Existing Home types.

4.2 Invoicing. Distributor shall invoice TVA, no more than once per month, for Incentive Payments in accordance with the Billing and Payment Terms and this section 4. The invoice amount shall be for the total of all completed Program Homes not previously invoiced by Distributor. Invoices shall include as supporting materials all related (a) Program Home Records and (b) Measure Records. Prior to being paid, all records must be reviewed and approved by TVA. Said approval may be withheld if TVA, in its sole judgment, determines that the invoice or records are unacceptable or insufficient. TVA shall cooperate with Distributor in developing invoicing guidelines in order to hasten the incentive invoice review process. In lieu of the defined Payment Due Date under section 2 of the Billing and Payment Terms, the Payment Due Date shall be 45 days from the date of receipt of the invoice.

4.3 Funding Limits. Total Incentive Payments for which TVA will pay Distributor shall not exceed \$62,700.00 in Fiscal Year 2014, \$87,400.00 in Fiscal Year 2015, and \$107,350.00 in Fiscal Year 2016. TVA shall make no Incentive Payments or accept any Incentive Payments invoices (1) once the Incentive Payment limit for any Fiscal Year has been reached or (2) after Fiscal Year 2016. Incentive Payments shall count toward the funding limit for the Fiscal Year during which TVA approves the invoice. Accordingly, if Distributor would like Incentive Payments to be made in a specific Fiscal Year, Distributor must submit all invoices to TVA with ample time for TVA to review and approve the invoices and related supporting materials in that Fiscal Year.

4.4 Previous Program Homes. Distributor may invoice TVA in Fiscal Year 2014 for Incentive Payments related to Program Homes identified between February 1, 2014, and this Agreement's effective date. Total Incentive Payments for these Program Homes shall not exceed \$31,000.00. Incentive Payments related to these Program Homes shall apply toward the Fiscal Year 2014 Incentive Payments limit in subsection 4.3. Program Homes identified between February 1, 2014, and this Agreement's effective date are subject to all Program requirements.

4.5 Incentive Overlap. All Program Homes shall be deemed ineligible for inclusion in any other energy efficiency incentive-based contract.

## **SECTION 5 - EVALUATION MEASUREMENT AND VERIFICATION**

Through September 30, 2018, Distributor shall (1) provide TVA and their agents and contractors Program Home Records and Measure Records, (2) ensure TVA and their agents and contractors have periodic access to the Program Home at reasonable times, (3) fully cooperate with QA Inspections, (4) provide to TVA Billing Data upon request and according to sampling parameters specified by TVA, and (5) allow and encourage Program Home owners' cooperation with TVA or its third party representative conducted interviews, surveys, and Program Home site visits. TVA may update sections 1.9 and 1.11 no more than once annually, upon at least 30 days' notice to Distributor.

Prior to submission to TVA, Distributor shall screen Billing Data to ensure that no data is associated with an Existing Home that has been linked to any previous TVA *energy right*® program incentive or market value payment during the period covered by the Billing Data sampling parameters. If Distributor cannot perform this screening for not-participating Existing Homes, then Billing Data for not-participating Existing Homes shall include the associated Customer names and addresses to allow TVA cross-checking against other program participation.

## **SECTION 6 - PARTICIPANT AGREEMENT**

Distributor shall ensure that all Customers who own Program Homes sign an agreement in which they are obligated, through September 30, 2018, to (1) provide all access and permissions required for TVA and Distributor to fulfill all program obligations, (2) fully cooperate with QA Inspections, (3) assign Program obligations to any successor Program Home owners, and (4) participate in interviews and surveys.

## **SECTION 7 - REFUND**

If, at any time,

(1) Distributor or the current or future owner of a Program Home does not allow TVA or Distributor to fulfill the obligations set forth under section 5 above, or

(2) TVA finds any Program Home or Program work to be unsatisfactory during a QA Inspection or Program Home visit,

Distributor may be required by TVA to refund to TVA the Incentive Payment associated with that Program Home.

## **SECTION 8 - CONFIDENTIALITY**

Except as may be required by law, TVA shall not divulge information provided to or collected by TVA under this Agreement (Information) to third parties without the written consent of Distributor. TVA may disclose Information without Distributor's written consent to third party contractors performing work in support of the Program, provided, TVA secures an agreement with the third party contractors to not disclose Information.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**CITY OF HUNTSVILLE, ALABAMA**

By \_\_\_\_\_  
Title:

**TENNESSEE VALLEY AUTHORITY**

By \_\_\_\_\_  
Senior Manager  
Power Customer Contracts

## **BILLING AND PAYMENT TERMS**

### **(Payments by TVA)**

(11/16/2009 version)

## **SECTION 1 - DEFINITION OF TERMS**

"TVA" means the Tennessee Valley Authority.

"Reimbursable Contract" means the agreement or contract to which these Billing and Payment Terms are made a part as an attachment or exhibit.

"Billing Party" means the party owed any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms.

"Billed Party" means the party obligated to pay any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms. (The same party to the Reimbursable Contract may be the Billing Party or the Billed Party or both.)

"Payment Due Date" means the date by which payment is due the Billing Party as defined in Section 2 below.

"Deliverables" means the work or services performed, or property or equipment furnished, by the Billing Party under the Reimbursable Contract for the ownership benefit of the Billed Party.

## **SECTION 2 - INVOICING AND PAYMENT DUE DATE**

The Billing Party shall submit an invoice to the Billed Party for the amount due. When TVA is the Billed Party, invoices shall be submitted to TVA Accounts Payable, P.O. Box 15500, Knoxville, Tennessee 37901, or may be submitted electronically to TVA Accounts Payable at [accountspayable@tva.gov](mailto:accountspayable@tva.gov). When TVA is not the Billed Party, the invoice may be submitted in electronic form, if permitted under the Reimbursable Contract. For accounting reference purposes, the invoice shall be numbered and dated and shall include (a) the contract number assigned under Section 11 (**Assignment of Contract Number**) below and (b) reasonably sufficient detail or supporting documentation to permit the Billed Party to verify the appropriateness or accuracy of the amount owed. Unless a later due date is specified in the Reimbursable Contract, the Payment Due Date shall be 30 days from the date of receipt of the invoice. Payment by TVA will be made by electronic fund transfer (after the Billing Party completes a TVA Electronic Vendor Payment Form).

## **SECTION 3 - INTEREST ON UNDERPAYMENTS OR OVERPAYMENTS**

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billed Party shall pay interest on the unpaid amount based on the maximum rate under the United States Prompt Payment Act, (31 U.S.C. §§ 3901-3907) as published in the Federal Register and adjusted periodically (currently semi-annually). Interest shall accrue from the Payment Due Date until the date the Billing Party receives

payment. Failure to pay within 90 days after the Payment Due Date shall constitute a material breach of the Reimbursable Contract. If the Billed Party overpays (such as, due to erroneous or inaccurate invoicing by the Billing Party or due to refund of an excess deposit payment), the Billing Party shall promptly refund the amount overpaid.

#### **SECTION 4 - DELAY OR SUSPENSION OF WORK DUE TO PAYMENT FAILURE**

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billing Party shall have the right to delay or suspend the work or services being performed until after such payment failure has been satisfactorily resolved. Nothing herein contained shall be construed as relieving the Billed Party of the obligation to pay the Billing Party for the work completed as of the date such work or services are delayed or suspended.

#### **SECTION 5 - PAYMENT DISPUTE**

The Billed Party may dispute the payment of all or a portion of the amount due in an invoice if the Billed Party has a reasonable basis to demonstrate that such amount is inappropriate or questionable. In that case, the Billed Party shall promptly advise the Billing Party in writing of the reasons for disputing all or a portion of the invoiced amount. Upon receipt of the Billed Party's written statement of reasons, the dispute resolution provisions of Section 12 below shall apply. If as a result of the dispute resolution, one party is required to pay the other for the amount overpaid or underpaid, such amount shall include interest calculated in accordance with Section 3 (**Interest on Underpayments or Overpayments**) above.

#### **SECTION 6 - OFFSET**

Each party reserves the right to offset any amount owed to the other party against any amount owed by the other party.

#### **SECTION 7 - WARRANTIES AND LIMITATION OF LIABILITY**

Unless otherwise provided in the Reimbursable Contract, the Billing Party warrants the Deliverables to be in conformance with generally accepted professional standards prevailing at the time of delivery. Any Deliverables not in accordance with such standards shall be corrected at no cost to the Billed Party as long as such nonconformance is reported in writing within one year from the date of delivery. The Billing Party expressly disclaims any other warranties, including implied warranties of merchantability or fitness for any particular use or purpose, as to any Deliverables provided hereunder.

#### **SECTION 8 - TIME OF COMPLETION AND FORCE MAJEURE**

Any delays in or failure of performance by the Billing Party or its contractors shall not constitute default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Billing Party or its contractors, and Billing Party shall not be liable for any loss or damage due to or arising out of any such delays or failure of performance. Such occurrences include, but are not limited to, acts of God or the public enemy, fires,

epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of Governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, which are not within the control of Billing Party or its contractors.

#### **SECTION 9 - ACCESS TO BILLING RECORDS AND CONFIDENTIALITY**

Upon written request by the Billed Party, the Billing Party shall provide access during normal working hours to its records as necessary to permit the Billed Party to verify the accuracy or appropriateness of the invoice. The Billed Party shall keep the information examined confidential. If a billing dispute is submitted to dispute resolution as set out in Section 12 below, the Billing Party agrees to provide the pertinent records or information to counsel and independent experts of the Billed Party and those attempting to resolve the dispute, provided such third parties agree to keep such records or information confidential. Nothing in this Section shall be construed as in any way impairing the ability pursuant to statutory authority of the Office of the Inspector General of TVA or of any other Federal agency having auditing jurisdiction over TVA to examine the records of the Billing Party to the extent relating to any amount billed TVA by the Billing Party.

#### **SECTION 10 - ENTIRE CONTRACT**

The Reimbursable Contract and all exhibits or attachments thereto (including these Billing and Payment Terms) shall constitute the entire agreement between the parties. In the event of any conflict between the provisions of the Reimbursable Contract and these Billing and Payment Terms, the Reimbursable Contract shall prevail.

#### **SECTION 11 - ASSIGNMENT OF CONTRACT NUMBER**

The Reimbursable Contract will have a contract number assigned by TVA for all parties to use as a reference as part of the invoicing and payment processes.

#### **SECTION 12 - DISPUTE RESOLUTION**

If a billing amount dispute arises out of or relates to the Reimbursable Contract, including these Billing and Payment Terms, or the breach thereof, the parties agree to use their best efforts to resolve such a dispute informally at the lowest possible levels of decisionmaking. Such a dispute not resolved at the working level should be referred to higher levels of management of both parties for consideration, as necessary. If said dispute cannot be so settled, the parties further agree to develop and use consensual alternative dispute resolution processes, such as facilitation and mediation to try in good faith to settle said dispute, before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may, for example, try to resolve the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules.

### **SECTION 13 - RESTRICTION OF BENEFITS**

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of the Reimbursable Contract or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. The other party to the Reimbursable Contract shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of the Reimbursable Contract.

### **SECTION 14 - CONFORMANCE WITH WORK SCOPE AND COST ESTIMATE**

It is recognized that depending on the nature or extent of the work involved, the Reimbursable Contract may include a detailed work scope and a cost estimate (or cost limitation) for work subject to reimbursement based on actual costs incurred. In that case, the Billing Party shall use its best efforts to perform the work within the specified work scope and cost estimate. If at any time the Billing Party becomes aware that the actual costs will likely exceed the cost estimate by 15 percent or more, the Billing Party shall use its best efforts to obtain concurrence or resolution with the Billed Party regarding such cost estimate overrun. This shall include notification of the Billed Party in writing of the cost estimate overrun together with a revised cost estimate and an explanation for the cost estimate overrun so as to provide the Billed Party an opportunity for input and/or consultation. For work or services in excess of the work scope, unless mutually agreed by the parties in advance (such as in the form of an amendment to the Reimbursable Contract), the Billing Party shall not be obligated to perform such work or services, and the Billed Party shall not be obligated to pay for such work or services. The Billing Party may elect to suspend the work in question until it has obtained concurrence or resolution with the Billed Party regarding work in excess of the work scope and/or cost estimate.